

# Senate Daily Reader

**Thursday, January 29, 2004**

[illegible]

\_\_\_\_\_ moved that SB 38 be amended as follows:

On page 16, line 9 of the printed bill, before "A" insert:

"

Any securities of any cooperative corporation organized in good faith and qualified to do business as a cooperative under chapter 47-15 or chapter 47-21 and sold only to members of such cooperative corporations for the purpose of conducting under the cooperative plan among its stockholders any or all of the following businesses:

- (A) Any agricultural, dairy, livestock, or produce business;
- (B) The business of selling, marketing, or otherwise handling any agricultural, dairy, or livestock products, or other produce raised or produced by the stockholders of such corporation or by any cooperative corporation;
- (C) The manufacture of any products from handling any agricultural, dairy, or livestock products, or other produce by the members of such corporations;
- (D) The funding of economic development projects in South Dakota;
- (E) The operation of a rural telephone among its stockholders;
- (F) Any business incidental to any of the above purposes; and
- (G) ".

# State of South Dakota

SEVENTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2004

400J0444

SENATE TRANSPORTATION COMMITTEE

ENGROSSED NO. **SB 42** - 01/27/2004

Introduced by: The Committee on Transportation at the request of the Department of  
Transportation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding railroad tax credits  
2 and to provide a process for administrating the tax credits.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-28-21.2 be amended to read as follows:

5 10-28-21.2. Any publicly operated railroad or railway corporation operating over rail lines  
6 owned by the publicly operated railroad or railway corporation located within this state may  
7 claim a credit against the tax levied on such rail lines for amounts that the railroad or railway  
8 corporation has certified as having been expended in the replacement, improvement, and repair  
9 of such rail lines. Only those expenses of a capital nature may be certified as an expense eligible  
10 for a credit pursuant to this section. The certification required by this section shall be on forms  
11 provided by the Department of Revenue and Regulation. The labor and material expenses  
12 certified pursuant to this section shall be itemized separately by rail line and mile post locations.  
13 The credit provided in this section shall be applied proportionally across the railroad's entire  
14 mainline within this state. The credit shall be applied to tax liability over a three-year period in  
15 an amount equal to thirty-three and one-third percent the first year following certification;



1 thirty-three and one-third percent of such an amount shall carry forward into the second year  
2 following certification; and thirty-three and one-third percent shall carry forward into the third  
3 year following certification. Each year's carryover shall be accumulated as a tax credit with other  
4 years' annual tax credits. No credit may be given for the repair or replacement of railway line  
5 necessitated by washout, fire, or train derailment. No credit may be given for that portion of a  
6 project that is funded with state or federal grant funds or paid for by any third party. If any rail  
7 line goes over ten million gross ton miles of revenue freight per mile annually in a calendar year,  
8 the rail line may not receive a credit pursuant to this section in the following calendar year.

9 Section 2. That chapter 10-28 be amended by adding thereto a NEW SECTION to read as  
10 follows:

11 Expenses of a capital nature contained in § 10-28-21.2 are as defined in CFR 49 Parts 1200  
12 through 1219 Subpart A Uniform Systems of Accounts for Railroad Companies, as amended  
13 through January 1, 2004, for Class 1 railroads or as defined in accordance with generally  
14 accepted accounting principles for regulated industries for Class 2 and Class 3 railroads.

15 Section 3. That chapter 10-28 be amended by adding thereto a NEW SECTION to read as  
16 follows:

17 Each year the railroad or railroad corporation requesting tax credits shall prepare a capital  
18 improvement plan detailing the proposed mainline and secondary line capital improvement  
19 projects including the project scope, estimated value, approximate scheduling of the projects,  
20 and the current category of the line on the railroad's system diagram map as provided in 49 CFR  
21 § 1152.10 as of January 1, 2004. The plan shall be presented to the Department of  
22 Transportation by March first of each year for any capital improvement project for which a tax  
23 credit will be requested.

24 Section 4. That chapter 10-28 be amended by adding thereto a NEW SECTION to read as

1 follows:

2       The railroad shall annually notify the Department of Transportation of completion of any  
3 capital project. However, if the cost of the capital project exceeds three hundred thousand  
4 dollars, the railroad shall notify the department immediately upon completion. The department  
5 may conduct a verification inspection of capital improvement project completion and may audit  
6 the capital improvement project according to South Dakota Department of Transportation Audit  
7 guidelines and the Federal-Aid Policy Guide 23 CFR Chapter 1, Subchapter B, Part 140,  
8 Subpart 1, as amended through January 1, 2004, to determine project value. The department  
9 shall report its findings to each county where the railroad has requested a tax credit. Only those  
10 capital expenses that have been claimed on the railroad's certification and verified by the  
11 department are eligible for a credit pursuant to § 10-28-21.2. Any railroad aggrieved by the  
12 decision of the department concerning the eligibility of a claimed capital expenditure for the tax  
13 credit authorized by § 10-28-21.2 is entitled to an administrative hearing conducted in  
14 accordance with the provisions of chapter 1-26.

15       Section 5. That chapter 10-28 be amended by adding thereto a NEW SECTION to read as  
16 follows:

17       The State Railroad Board shall, in accordance with chapter 1-26, promulgate rules  
18 establishing the form upon which a railroad shall submit verification information for capital  
19 expenses being claimed as tax credits authorized by § 10-28-21.2, when the information is to  
20 be submitted, and the manner in which the certification is submitted.

# State of South Dakota

SEVENTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2004

767J0465

## SENATE EDUCATION COMMITTEE ENGROSSED NO. **SB 67** - 01/27/2004

Introduced by: Senators Olson (Ed), Ham-Burr, Knudson, and Symens and Representative Heineman

1 FOR AN ACT ENTITLED, An Act to require school districts to offer kindergarten and to  
2 require content standards for kindergarten.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 13-26-2 be amended to read as follows:

5 13-26-2. The school board or governing body shall operate ~~grades one~~ kindergarten through  
6 grade twelve in its schools ~~for at least a nine-month regular term in any one school year. The~~  
7 school board shall operate grades one through twelve for at least a nine-month regular term in  
8 any one school year, and the number of hours in a school term for kindergarten shall be set  
9 pursuant to § 13-26-1. The regular school term may be conducted on a year-round basis and  
10 shall begin on a date established by the school board. The Board of Education shall promulgate  
11 rules pursuant to chapter 1-26 governing the operation and scheduling of year-round schools.  
12 Any school board or governing body may release graduating high school seniors from school  
13 before the end of the regular term if the release is for no more than three school days. Make up  
14 time for school closing because of weather, disease, or emergency need not exceed ten school  
15 days. Graduating seniors are excused from make up time if the make up time occurs after the



1 students have graduated or after graduation exercises have been held. If classes have been  
2 convened and then are dismissed, or if classes convene at a time later in the day than normal,  
3 because of inclement weather, that day constitutes a school day in session equal to the number  
4 of hours planned for that day as established in the local school district calendar for the year.

5 School boards are encouraged to provide time within the regular school term for curriculum  
6 and staff development which shall be in addition to the time required in this section. Each  
7 school board shall determine the appropriate amount of time for this activity and how best to  
8 use the time based on local needs for program development, increased parent participation,  
9 student contact, teachers' preparation, or other needs of the schools in the district. School shall  
10 be in session only when classes are held and as provided in §§ 13-26-4 and 13-26-4.1. A school  
11 board may operate a special term during the summer months.

12 Section 2. That § 13-15-14 be amended to read as follows:

13 13-15-14. School districts entering into contractual agreements specified in § 13-15-11 or  
14 13-15-1.3 are considered to be operating a school whether or not the school is located within  
15 the boundary of the district. In any event, each school district, except those which have entered  
16 into an approved contract under the provisions of § 13-15-11, shall operate at least an  
17 instructional program for ~~grades one~~ kindergarten through grade six within the boundaries of  
18 the district.

19 Section 3. That § 13-3-48 be amended to read as follows:

20 13-3-48. The secretary of the Department of Education shall prepare and submit for approval  
21 of the South Dakota Board of Education academic content standards in language arts,  
22 mathematics, social studies, and science for ~~grades one~~ kindergarten through grade twelve. Each  
23 school district shall adopt and implement clearly defined and measurable course guidelines so  
24 as to meet the state academic content standards. ~~Course guidelines for language arts and~~

- 1 ~~mathematics shall be adopted and implemented by July 1, 1999, and those for social studies and~~
- 2 ~~science shall be adopted by July 1, 2000.~~



# State of South Dakota

SEVENTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2004

716J0454

## SENATE COMMERCE COMMITTEE ENGROSSED NO. **SB 78** - 01/27/2004

Introduced by: Senators Kelly, de Hueck, Knudson, and Schoenbeck and Representatives  
Solum, Konold, LaRue, Peterson (Jim), and Weems

1 FOR AN ACT ENTITLED, An Act to increase the bond requirements for certain vehicle  
2 dealers.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 32-6B-7 be amended to read as follows:

5 32-6B-7. Before any license is issued, the applicant shall deliver to the department a good  
6 and sufficient surety bond, executed by the applicant as principal and by a surety company  
7 qualified to do business in the state as surety. The bond shall be for an amount based upon the  
8 type of license applied for, as follows:

- 9 (1) Vehicle dealer's license -- ~~\$10,000~~ \$25,000;
- 10 (2) Used vehicle dealer's license -- ~~\$10,000~~ \$25,000;
- 11 (3) Motorcycle dealer's license -- ~~\$2,000~~ \$5,000;
- 12 (4) Trailer dealer's license -- \$10,000 for trailers weighing 2,000 pounds or more; or
- 13 (5) Emergency vehicle dealer's license -- \$10,000.

14 The bond shall be to the department and in favor of any customer who suffers any loss that  
15 may be occasioned by reason of the failure of title or by reason of any fraudulent



1 misrepresentation or breaches of warranty as to freedom from liens. The bond shall be for the  
2 license period, and a new bond or a proper continuation certificate shall be delivered to the  
3 department at the beginning of each license period. Any surety company ~~which~~ that pays a claim  
4 against the bond of a licensee shall notify the department, in writing, that it has paid such a  
5 claim. Any surety company ~~which~~ that cancels the bond of a licensee shall notify the  
6 department, in writing, of ~~such~~ the cancellation, giving the reason for that cancellation. If a  
7 claim is made to the department against the bond, which claim is based upon a final judgment  
8 of a court of record of this state, the dealer shall execute an additional bond for the amount  
9 necessary to maintain ~~such~~ the security at the original level.

10 Section 2. That § 32-6C-4 be amended to read as follows:

11 32-6C-4. Before any license may be issued, the applicant shall deliver to the department, a  
12 surety bond in the amount of ~~two~~ five thousand dollars, executed by the applicant as principal  
13 and by a surety company qualified to do business in the state as surety. The bond shall be to the  
14 department and in favor of any customer who suffers any loss that may be occasioned by reason  
15 of the failure of title or by reason of any fraudulent misrepresentation or breach of warranty as  
16 to freedom from liens. The bond shall be for the license period, and a new bond or a proper  
17 continuation certificate shall be delivered to the department at the beginning of each license  
18 period. Any surety company ~~which~~ that pays a claim against the bond of a licensee shall notify  
19 the department, in writing, that it has paid such a claim and shall state the reason and the amount  
20 of the claim. Any surety company ~~which~~ that cancels the bond of a licensee shall notify the  
21 department, in writing, of ~~such~~ the cancellation, giving the reason for that cancellation. If a  
22 claim is made to the department against the bond, which claim is based upon a final judgment  
23 of a court record of this state, the dealer shall execute an additional bond for the amount  
24 necessary to maintain such security at the original level.

Section 3. That § 32-7B-6 be amended to read as follows:

32-7B-6. Before any license may be issued, the applicant shall deliver to the department, a surety bond in the amount of ~~ten~~ twenty thousand dollars, executed by the applicant as principal and by a surety company qualified to do business in the state as surety. If the applicant has multiple dealer licenses, one bond ~~will~~ may cover all dealer licenses. The bond shall be of the amount to cover bonding requirements under each license. The bond shall be to the department and in favor of any customer who suffers any loss that may be occasioned by reason of the failure of title or by reason of any fraudulent misrepresentation or breach of warranty as to freedom from liens. The bond shall be for the license period, and a new bond or a proper continuation certificate shall be delivered to the department prior to the bond's expiration. Any surety company that pays a claim against the bond of a licensee shall notify the department, in writing, that it has paid such a claim and shall state the reason and the amount of the claim. Any surety company that cancels the bond of a licensee shall notify the department, in writing, of ~~such~~ the cancellation, giving the reason for that cancellation. If a claim is made to the department against the bond, which claim is based upon a final judgment of a court of record of this state, the dealer shall execute an additional bond for the amount necessary to maintain such security at the original level.

Section 4. That § 32-7A-5 be amended to read as follows:

32-7A-5. No license as provided in § 32-7A-3 may be issued to anyone, until the applicant executes a bond issued by a company licensed to do business in this state, as surety in the amount of ~~ten~~ twenty-five thousand dollars. The bond shall be payable to the Department of Revenue and Regulation for the use and benefit of any purchaser or holder of lien to pay any loss, damages, and expenses resulting from the failure of any title for any fraudulent misrepresentation or breach of warranty as to freedom from a lien. If any claim is made to the

1 department against such bond and the claim is based upon a final judgment of a court of record  
2 of this state, the dealer shall execute an additional bond for the amount not to exceed thirty  
3 thousand dollars, which claim is based upon a final judgment of a court of record of this state,  
4 the dealer shall execute an additional bond for the amount necessary to maintain the security at  
5 the original level.

6 Section 5. That chapter 32-6B be amended by adding thereto a NEW SECTION to read as  
7 follows:

8 To implement any increase in the amount of a dealer bond, a dealer, upon renewal of a bond  
9 or upon annual renewal of a dealer license, whichever comes first, shall deliver to the  
10 department an original bond or a bond rider that is issued by the surety company showing the  
11 new bond amount.

12 Section 6. That chapter 32-6C be amended by adding thereto a NEW SECTION to read as  
13 follows:

14 To implement any increase in the amount of a dealer bond, a dealer, upon renewal of a bond  
15 or upon annual renewal of a dealer license, whichever comes first, shall deliver to the  
16 department an original bond or a bond rider that is issued by the surety company showing the  
17 new bond amount.

18 Section 7. That chapter 32-7A be amended by adding thereto a NEW SECTION to read as  
19 follows:

20 To implement any increase in the amount of a dealer bond, a dealer, upon renewal of a bond  
21 or upon annual renewal of a dealer license, whichever comes first, shall deliver to the  
22 department an original bond or a bond rider that is issued by the surety company showing the  
23 new bond amount.

24 Section 8. That chapter 32-7B be amended by adding thereto a NEW SECTION to read as

1 follows:

2 To implement any increase in the amount of a dealer bond, a dealer, upon renewal of a bond  
3 or upon annual renewal of a dealer license, whichever comes first, shall deliver to the  
4 department an original bond or a bond rider that is issued by the surety company showing the  
5 new bond amount.